
By: **Prince George's County Delegation**
Introduced and read first time: February 4, 2004
Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 10, 2004

CHAPTER _____

1 AN ACT concerning

2 ~~Education - Prince George's County Board of Education - Bonding~~
3 ~~Authority~~
4 ~~PG 407-04~~

5 Education - Prince George's County - Telecommunications Tax - School
6 Renovations

7 ~~FOR the purpose of authorizing the Prince George's County Board of Education to~~
8 ~~issue bonds for the acquisition, development, or improvement of public school~~
9 ~~facilities in the Prince George's County school system; establishing the rights~~
10 ~~and duties associated with the bonding authority; requiring passage of a certain~~
11 ~~resolution by the County Executive and County Council of Prince George's~~
12 ~~County before a bond may be issued; providing for the effective date of certain~~
13 ~~provisions of this Act; providing for a delayed effective date for certain~~
14 ~~provisions of this Act; providing for the termination of certain provisions of this~~
15 ~~Act on a certain date; providing for the construction and severability of certain~~
16 ~~provisions of this Act; and generally relating to the Prince George's County~~
17 ~~school system.~~

18 FOR the purpose of requiring that a certain percentage of the sales and use tax on
19 telecommunications service in Prince George's County be used for operating
20 expenditures of the county school system; altering the expenditures that may be
21 funded by the remainder of the net proceeds from the telecommunications tax to
22 include certain capital improvements or renovations for the county school
23 system or payment of certain debt service on bonds issued by the governing body
24 of Prince George's County; requiring the governing body of Prince George's
25 County to make a certain report on or before a certain date; and generally

1 relating to the use of net proceeds from the sales and use tax on
 2 telecommunications service in Prince George's County.

3 ~~BY repealing and reenacting, with amendments,~~
 4 ~~Article—Education~~
 5 ~~Section 4-401~~
 6 ~~Annotated Code of Maryland~~
 7 ~~(2001 Replacement Volume and 2003 Supplement)~~

8 ~~BY adding to~~
 9 ~~Article—Education~~
 10 ~~Section 3-1009 through 3-1009.6 and 4-412 through 4-412.5~~
 11 ~~Annotated Code of Maryland~~
 12 ~~(2001 Replacement Volume and 2003 Supplement)~~

13 BY repealing and reenacting, with amendments,
 14 Article 24 - Political Subdivisions - Miscellaneous Provisions
 15 Section 9-606(e)
 16 Annotated Code of Maryland
 17 (2001 Replacement Volume and 2003 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 19 MARYLAND, That the Laws of Maryland read as follows:

20 **~~Article—Education~~**

21 ~~4-401.~~

22 (a) ~~In this subtitle the following words have the meanings indicated.~~

23 (b) ~~"Advisory Board" means the Parent and Community Advisory Board.~~

24 (c) ~~"Board" means the New Prince George's County Board of Education.~~

25 (D) ~~"BONDS" MEANS REVENUE BONDS, REFUNDING BONDS, CERTIFICATES,~~
 26 ~~NOTES, DEMAND NOTES, COMMERCIAL PAPER, OTHER EVIDENCE OF INDEBTEDNESS,~~
 27 ~~AND, WHERE APPLICABLE, ANTICIPATION NOTES.~~

28 (E) ~~"CHIEF EXECUTIVE OFFICER" MEANS THE CHIEF EXECUTIVE OFFICER OF~~
 29 ~~THE NEW PRINCE GEORGE'S COUNTY BOARD OF EDUCATION.~~

30 (F) ~~"COSTS" AS APPLIED TO ANY PROJECT MEANS ALL COSTS OF THE~~
 31 ~~PROJECT, INCLUDING:~~

32 (1) ~~THE COST OF ACQUISITION, CONSTRUCTION, RECONSTRUCTION,~~
 33 ~~EQUIPPING, MAINTENANCE, REPAIR, AND RENOVATION;~~

1 (2) ~~THE COST OF ACQUISITION OF ALL LAND, RIGHTS OF WAY,~~
2 ~~PROPERTY RIGHTS, EASEMENTS, AND INTERESTS ACQUIRED BY THE BOARD;~~

3 (3) ~~FINANCE CHARGES AND INTEREST PRIOR TO AND DURING~~
4 ~~CONSTRUCTION AND FOR 1 YEAR AFTER COMPLETION OF CONSTRUCTION;~~

5 (4) ~~THE COST OF ARCHITECTURAL, ENGINEERING, AND LEGAL~~
6 ~~EXPENSES, PLANS, SPECIFICATIONS, FEASIBILITY STUDIES, SURVEYS, ESTIMATES OF~~
7 ~~COSTS AND REVENUE, AND OTHER EXPENSES NECESSARY OR DESIRABLE FOR~~
8 ~~DETERMINING THE FEASIBILITY OR PRACTICALITY OF CONSTRUCTION OF ANY~~
9 ~~PROJECT;~~

10 (5) ~~RESERVES FOR THE PAYMENT OF DEBT SERVICE, OPERATING~~
11 ~~RESERVES, AND REPAIR AND REPLACEMENT FUNDS; AND~~

12 (6) ~~ADMINISTRATIVE EXPENSES AND OTHER EXPENSES NECESSARY OR~~
13 ~~ALLOCABLE TO ANY PROJECT, THE FINANCING OR REFINANCING OF ANY PROJECT,~~
14 ~~THE ISSUANCE OF BONDS, AND THE PLACING OF ANY PROJECT IN OPERATION.~~

15 (G) ~~"PROJECT" MEANS THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION,~~
16 ~~EQUIPPING, MAINTENANCE, REPAIR, OR RENOVATION OF ANY PUBLIC SCHOOL~~
17 ~~FACILITY.~~

18 (H) ~~"PUBLIC SCHOOL FACILITY" MEANS A BUILDING, PARKING FACILITY,~~
19 ~~ATHLETIC FACILITY, TESTING FACILITY, OR OTHER FACILITY IN PRINCE GEORGE'S~~
20 ~~COUNTY, NOW EXISTING OR HEREAFTER ACQUIRED OR CONSTRUCTED, THAT IS~~
21 ~~USED BY THE BOARD IN RELATION TO THE EDUCATION OF STUDENTS IN THE PRINCE~~
22 ~~GEORGE'S COUNTY PUBLIC SCHOOL SYSTEM.~~

23 4-412.

24 (A) ~~IN ORDER TO PROVIDE PUBLIC SCHOOL FACILITIES, THE BOARD MAY:~~

25 (1) ~~ACQUIRE, CONSTRUCT, RECONSTRUCT, EQUIP, MAINTAIN, REPAIR,~~
26 ~~OR RENOVATE FACILITIES AT ANY LOCATION IN PRINCE GEORGE'S COUNTY, NOW~~
27 ~~EXISTING OR HEREAFTER ACQUIRED;~~

28 (2) ~~ISSUE BONDS IN ACCORDANCE WITH THE PROCEDURES,~~
29 ~~REQUIREMENTS, AND LIMITATIONS APPLICABLE TO THE ISSUANCE OF BONDS BY~~
30 ~~THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS OF THE BALTIMORE CITY~~
31 ~~PUBLIC SCHOOL SYSTEM UNDER § 4-306.2 OF THIS TITLE;~~

32 (3) ~~IN ACCORDANCE WITH STATE LAW, ACQUIRE, HOLD, AND DISPOSE~~
33 ~~OF REAL AND PERSONAL PROPERTY IN THE EXERCISE OF ITS POWERS AND THE~~
34 ~~PERFORMANCE OF ITS DUTIES UNDER THIS SUBTITLE;~~

35 (4) ~~ENTER INTO ALL CONTRACTS AND AGREEMENTS NECESSARY OR~~
36 ~~INCIDENTAL TO THE PERFORMANCE OF ITS DUTIES AND THE EXECUTION OF ITS~~
37 ~~POWERS UNDER THIS SUBTITLE, EMPLOY CONSULTING ENGINEERS, ARCHITECTS,~~

1 ATTORNEYS, CONSTRUCTION AND FINANCIAL EXPERTS, AND OTHER EMPLOYEES
2 AND AGENTS, AND DETERMINE THEIR COMPENSATION;

3 (5) RECEIVE AND ACCEPT FROM THE UNITED STATES OF AMERICA OR
4 ANY AGENCY OF THE FEDERAL GOVERNMENT GRANTS AND LOANS FOR THE
5 PURPOSE OF FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF ANY
6 PROJECT;

7 (6) RECEIVE AND ACCEPT AID OR CONTRIBUTIONS FROM ANY SOURCES
8 OF MONEY, PROPERTY, LABOR, OR OTHER THINGS OF VALUE TO BE HELD, USED, AND
9 APPLIED FOR THE PURPOSES FOR WHICH THE GRANTS AND CONTRIBUTIONS WERE
10 MADE; AND

11 (7) PERFORM ALL ACTS AND OTHER THINGS NECESSARY TO CARRY OUT
12 THE POWERS EXPRESSLY GRANTED BY THE PROVISIONS OF THIS SUBTITLE.

13 (B) THE BOARD SHALL MAINTAIN RECORDS IDENTIFYING THE SOURCES AND
14 AMOUNTS OF PAYMENTS USED TO SUPPORT THE COSTS OF ANY PROJECT
15 AUTHORIZED UNDER THE PROVISIONS OF THIS SUBTITLE.

16 4-412.1.

17 (A) THE BOARD MAY ISSUE BONDS FOR THE PURPOSE OF FINANCING OR
18 REFINANCING ALL OR ANY PART OF THE COSTS OF ANY PROJECT.

19 (B) THE AGGREGATE PRINCIPAL AMOUNT OF BONDS OUTSTANDING,
20 INCLUDING THE AMOUNT OF ANY RESERVE FUND REQUIREMENT ESTABLISHED FOR
21 THE BONDS, MAY NOT EXCEED, AS OF THE DATE THE BONDS ARE ISSUED, \$25,000,000.

22 (C) BONDS SHALL BE AUTHORIZED BY A RESOLUTION OF THE BOARD AND
23 MAY BE SECURED BY A TRUST AGREEMENT BY AND BETWEEN THE BOARD AND A
24 CORPORATE TRUSTEE OR TRUSTEES WHICH MAY BE ANY TRUST COMPANY OR BANK
25 HAVING THE POWERS OF A TRUST COMPANY WITHIN OR OUTSIDE OF THE STATE.

26 (D) BEFORE THE BOARD MAY ISSUE A BOND UNDER THIS SECTION, THE
27 COUNTY EXECUTIVE AND THE COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY
28 SHALL PASS A RESOLUTION APPROVING THE BOARD'S ISSUANCE OF THE BOND AND
29 SHALL FORWARD THAT RESOLUTION TO THE BOARD.

30 (E) THE RESOLUTION OF THE BOARD AUTHORIZING THE BONDS:

31 (1) SHALL DESCRIBE THE PROJECTS THAT ARE TO BE FINANCED OR
32 REFINANCED BY THE BOND;

33 (2) SHALL STATE THE MAXIMUM PRINCIPAL AMOUNT OF THE BOND;

34 (3) SHALL DESCRIBE THE SOURCES OF PAYMENT OF THE BONDS;

35 (4) SHALL PROVIDE THAT THE PROCEEDS OF THE BONDS BE INVESTED
36 IN ACCORDANCE WITH ANY INVESTMENT POLICY APPROVED BY THE BOARD; AND

1 (5) MAY PROVIDE THAT THE BONDS ARE REDEEMABLE BEFORE
2 MATURITY AT A PRICE OR PRICES AND UNDER TERMS AND CONDITIONS OR IN
3 ACCORDANCE WITH A METHOD DETERMINED BY THE BOARD.

4 (F) THE RESOLUTION OF THE BOARD OR THE TRUST AGREEMENT RELATING
5 TO THE BONDS MAY CONTAIN PROVISIONS THAT:

6 (1) LIMIT THE PURPOSE TO WHICH THE PROCEEDS OF ANY ISSUE OF
7 BONDS MAY BE APPLIED AND RESTRICT THE INVESTMENT OF REVENUES OR BOND
8 PROCEEDS IN GOVERNMENT OBLIGATIONS FOR WHICH PRINCIPAL AND INTEREST
9 ARE UNCONDITIONALLY GUARANTEED BY THE UNITED STATES OF AMERICA;

10 (2) PROVIDE FOR THE ISSUANCE OF ADDITIONAL BONDS TO FINANCE
11 OR REFINANCE ANY PROJECTS, WHICH MAY NOT EXCEED THE TOTAL VALUE OF THE
12 OUTSTANDING BONDS ALLOWED UNDER SUBSECTION (B) OF THIS SECTION;

13 (3) ASSIGN ALL OR ANY PART OF THE BOARD'S FUNDS OR ASSETS;

14 (4) PROTECT AND ENFORCE THE RIGHTS AND REMEDIES OF THE
15 BONDHOLDERS THAT ARE REASONABLE AND PROPER AND NOT IN VIOLATION OF
16 THE LAW, INCLUDING COVENANTS REGARDING:

17 (I) THE DUTIES OF THE BOARD IN RELATION TO THE PROJECT;

18 (II) THE DUTIES OF THE BOARD IN RELATION TO ITS FUNDS;

19 (III) THE CUSTODY, SAFEGUARDING, AND APPLICATION OF ALL
20 MONEYS; AND

21 (IV) THE RIGHTS AND REMEDIES OF BONDHOLDERS AND
22 TRUSTEES, INCLUDING RESTRICTIONS ON THE INDIVIDUAL RIGHT OF ACTION BY
23 BONDHOLDERS; AND

24 (5) THE BOARD DEEMS REASONABLE AND PROPER FOR THE SECURITY
25 OF THE BONDHOLDERS, INCLUDING COVENANTS PERTAINING TO THE ISSUANCE OF
26 ADDITIONAL PARITY BONDS UPON STATED CONDITIONS.

27 (G) THE BONDS SHALL:

28 (1) BE DATED AND BEAR INTEREST AT THE FIXED OR VARIABLE RATE
29 OR RATES DETERMINED BY THE METHOD PROVIDED IN THE RESOLUTION OF THE
30 BOARD AUTHORIZING THE ISSUANCE OF THE BONDS;

31 (2) MATURE AT A TIME OR TIMES NOT EXCEEDING THE USEFUL LIFE OF
32 THE PROJECTS FOR WHICH THE BONDS ARE ISSUED, BUT IN NO EVENT SHALL THE
33 MATURITY OF THE BONDS EXCEED 15 YEARS FROM THEIR DATE OR DATES OF ISSUE,
34 AS MAY BE DETERMINED BY THE BOARD;

35 (3) BE ISSUED AT, ABOVE, OR BELOW PAR VALUE FOR CASH OR OTHER
36 VALUABLE CONSIDERATION;

1 (4) ~~BE PAYABLE AT A TIME OR TIMES, IN THE DENOMINATIONS AND~~
2 ~~FORM, EITHER COUPON OR REGISTERED OR BOTH, AND CARRY THE REGISTRATION~~
3 ~~AND PRIVILEGES AS TO CONVERSION AND FOR THE REPLACEMENT OF MUTILATED,~~
4 ~~LOST, OR DESTROYED BONDS AS THE RESOLUTION OF THE BOARD MAY PROVIDE;~~

5 (5) ~~BEAR THE MANUAL OR FACSIMILE SIGNATURE OF THE CHIEF~~
6 ~~EXECUTIVE OFFICER OR ONE OF THE OTHER MEMBERS OF THE BOARD, IN CASE ANY~~
7 ~~OFFICER WHOSE MANUAL OR FACSIMILE SIGNATURE APPEARS ON ANY BONDS OR~~
8 ~~COUPONS CEASES TO BE AN OFFICER BEFORE THE DELIVERY OF THE BONDS, THE~~
9 ~~SIGNATURE OR FACSIMILE OF THE FORMER OFFICER IS VALID AND SUFFICIENT FOR~~
10 ~~ALL PURPOSES AS IF THE OFFICER HAD REMAINED IN OFFICE UNTIL DELIVERY;~~

11 (6) ~~BEAR THE OFFICIAL SEAL OF THE BOARD OR A FACSIMILE OF THE~~
12 ~~SEAL AFFIXED TO THE BONDS AND ATTESTED BY THE MANUAL OR FACSIMILE~~
13 ~~SIGNATURE OF THE SECRETARY OF THE BOARD;~~

14 (7) ~~BE PAYABLE IN LAWFUL MONEY OF THE UNITED STATES OF~~
15 ~~AMERICA AT A DESIGNATED PLACE;~~

16 (8) ~~BE SUBJECT TO THE TERMS OF PURCHASE, PAYMENT, REDEMPTION,~~
17 ~~REFUNDING, OR REFINANCING THAT THE RESOLUTION OF THE BOARD PROVIDES;~~
18 ~~AND~~

19 (9) ~~BE SOLD IN THE MANNER AND UPON THE TERMS DETERMINED BY~~
20 ~~THE BOARD, INCLUDING PRIVATE OR NEGOTIATED SALE.~~

21 (H) ~~ALL BONDS ISSUED UNDER THE PROVISIONS OF THIS SUBTITLE SHALL~~
22 ~~HAVE ALL THE QUALITIES AND INCIDENTS OF NEGOTIABLE INSTRUMENTS UNDER~~
23 ~~THE LAWS OF THE STATE RELATING TO NEGOTIABLE INSTRUMENTS.~~

24 (I) ~~PRIOR TO THE PREPARATION OF DEFINITIVE BONDS, THE BOARD, UNDER~~
25 ~~LIKE RESTRICTIONS, MAY ISSUE INTERIM RECEIPTS OR TEMPORARY BONDS, WITH~~
26 ~~OR WITHOUT COUPONS, EXCHANGEABLE FOR DEFINITIVE BONDS WHEN THE BONDS~~
27 ~~ARE EXECUTED AND AVAILABLE FOR DELIVERY.~~

28 (J) (1) ~~BONDS MAY BE ISSUED UNDER THE PROVISIONS OF THIS SUBTITLE:~~

29 (1) ~~WITHOUT OBTAINING THE CONSENT OF ANY DEPARTMENT,~~
30 ~~DIVISION, COMMISSION, BOARD, BUREAU, OR AGENCY OF THE STATE; OR~~

31 (2) ~~WITHOUT ANY OTHER PROCEEDINGS OR THE OCCURRENCE OF~~
32 ~~ANY OTHER CONDITIONS OTHER THAN THOSE PROCEEDINGS OR CONDITIONS THAT~~
33 ~~ARE REQUIRED SPECIFICALLY BY PROVISIONS OF THIS SUBTITLE.~~

34 (K) (2) ~~THE PROVISIONS OF TITLE 8, SUBTITLE 2 OF THE STATE FINANCE~~
35 ~~AND PROCUREMENT ARTICLE DO NOT APPLY TO BONDS ISSUED UNDER THE~~
36 ~~PROVISIONS OF THIS SUBTITLE.~~

37 (L) ~~THE BOARD SHALL ESTABLISH ONE OR MORE TRUST FUNDS FOR THE~~
38 ~~DEPOSIT OF THE PROCEEDS OF THE BONDS OF ANY ISSUE.~~

1 ~~(L) THE BOARD MAY:~~

2 ~~(1) MAINTAIN SEPARATE ACCOUNTS FOR PURPOSES OF IDENTIFYING~~
3 ~~THE SOURCES OF PAYMENT OF THE BONDS FOR THE ACQUISITION, DEVELOPMENT,~~
4 ~~OR IMPROVEMENT OF PUBLIC SCHOOL FACILITIES; AND~~

5 ~~(2) RETAIN THE INTEREST REVENUE OR OTHER INVESTMENT INCOME~~
6 ~~FROM THE BONDS OF ANY ISSUE FOR THE PURPOSES OF APPLYING THE REVENUE OR~~
7 ~~INCOME TO THE COSTS OF ACQUIRING, CONSTRUCTING, RECONSTRUCTING,~~
8 ~~RENOVATING, EQUIPPING, MAINTAINING, OR REPAIRING SCHOOL FACILITIES.~~

9 ~~(M) (1) ANY BOND ISSUED UNDER THIS SUBTITLE SHALL STATE ON ITS FACE~~
10 ~~THAT THE BOND DOES NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS OR~~
11 ~~OBLIGATION OF THE STATE, OF THE COUNTY EXECUTIVE AND COUNTY COUNCIL OF~~
12 ~~PRINCE GEORGE'S COUNTY, OR OF ANY OTHER POLITICAL SUBDIVISION OF THE~~
13 ~~STATE, EXCEPT THE PRINCE GEORGE'S COUNTY BOARD OF EDUCATION.~~

14 ~~(2) THE BONDS DO NOT CONSTITUTE A DEBT OR OBLIGATION~~
15 ~~CONTRACTED BY THE GENERAL ASSEMBLY OR PLEDGE THE FAITH AND CREDIT OF~~
16 ~~THE STATE WITHIN THE MEANING OF ARTICLE III, § 34 OF THE MARYLAND~~
17 ~~CONSTITUTION.~~

18 ~~(N) THE BONDS OF ANY ISSUE SHALL BE PAYABLE FROM AND SECURED~~
19 ~~SOLELY BY:~~

20 ~~(1) ALL OR ANY PART OF THE FEES OR REVENUES GENERATED BY AN~~
21 ~~ACTIVITY OF THE BOARD TO THE EXTENT LAWFULLY AVAILABLE FOR SUCH~~
22 ~~PURPOSE;~~

23 ~~(2) THE PROCEEDS OF THE BONDS AND INVESTMENT EARNINGS~~
24 ~~THEREON;~~

25 ~~(3) ANY GRANT OR GIFT RECEIVED BY THE BOARD TO THE EXTENT~~
26 ~~LAWFULLY AVAILABLE FOR SUCH PURPOSE;~~

27 ~~(4) RESERVES OR OTHER FUNDS ESTABLISHED FOR THE BONDS UNDER~~
28 ~~THE RESOLUTION OR TRUST AGREEMENT;~~

29 ~~(5) ANY MONEYS THAT MAY LAWFULLY BE APPLIED TO THE PAYMENT~~
30 ~~OF THE BONDS, INCLUDING WITHOUT LIMITATION ANY APPROPRIATION BY THE~~
31 ~~STATE OR PRINCE GEORGE'S COUNTY MADE LAWFULLY AVAILABLE FOR SUCH~~
32 ~~PURPOSE; OR~~

33 ~~(6) ANY SOURCE OF FUNDS TO WHICH THE BOARD HAS ACCESS TO THE~~
34 ~~EXTENT LAWFULLY AVAILABLE FOR SUCH PURPOSE.~~

35 ~~(O) PRIOR TO AND DURING CONSTRUCTION AND FOR 1 YEAR AFTER~~
36 ~~COMPLETION OF CONSTRUCTION OF ANY PUBLIC SCHOOL FACILITY FOR WHICH~~
37 ~~BONDS HAVE BEEN ISSUED, THE INTEREST ON THE BONDS MAY BE PAID OUT OF THE~~

1 ~~PROCEEDS OF THE BONDS OR OUT OF OTHER MONEYS ALLOCATED FOR THAT~~
2 ~~PURPOSE.~~

3 ~~(P) (1) THE BOARD MAY PROVIDE, FROM TIME TO TIME, FOR THE ISSUANCE~~
4 ~~AND SALE OF BOND ANTICIPATION NOTES IN ACCORDANCE WITH THE PROCEDURES~~
5 ~~SET FORTH IN ARTICLE 31, § 12 OF THE CODE FOR THE ISSUANCE OF BONDS.~~

6 ~~(2) EXCEPT WHERE THE PROVISIONS OF THIS SUBTITLE WOULD BE~~
7 ~~INAPPLICABLE TO BOND ANTICIPATION NOTES, THE TERM "BONDS" AS USED IN THIS~~
8 ~~SUBTITLE SHALL INCLUDE BOND ANTICIPATION NOTES, INCLUDING THE~~
9 ~~PROVISIONS PERTAINING TO THE EXEMPTION FROM TAXATION BY THE STATE AND~~
10 ~~ITS POLITICAL SUBDIVISIONS.~~

11 ~~(Q) IN CONNECTION WITH THE ISSUANCE OF ANY BONDS, THE BOARD MAY:~~

12 ~~(1) OBTAIN OR ENTER INTO AGREEMENTS AND CONTRACTS FOR BOND~~
13 ~~INSURANCE, RESERVE FUND INSURANCE, A LETTER OF CREDIT, A LINE OF CREDIT,~~
14 ~~OR ANY FORM OF ADDITIONAL, SUBSTITUTE, OR REPLACEMENT SECURITY FOR ANY~~
15 ~~BONDS; AND~~

16 ~~(2) PLEDGE OR ASSIGN ALL OR ANY PART OF THE FUNDS OF THE BOARD~~
17 ~~TO THE REPAYMENT OR REIMBURSEMENT OF THE PROVIDER OF THE BOND~~
18 ~~INSURANCE, RESERVE FUND INSURANCE, LETTER OF CREDIT, LINE OF CREDIT, OR~~
19 ~~OTHER FORM OF ADDITIONAL, SUBSTITUTE, OR REPLACEMENT SECURITY.~~

20 ~~(R) ANY OF THE AGREEMENTS AND CONTRACTS MAY CONTAIN THE~~
21 ~~COVENANTS, TERMS, AND CONDITIONS AS MAY BE CONTAINED IN ANY TRUST~~
22 ~~AGREEMENT FOR ANY BONDS.~~

23 ~~(S) ANY BANK OR TRUST COMPANY INCORPORATED UNDER THE LAWS OF THE~~
24 ~~STATE THAT ACTS AS A DEPOSITORY OF THE PROCEEDS OF THE BONDS MAY~~
25 ~~FURNISH INDEMNIFYING BONDS OR PLEDGE SECURITIES AS REQUIRED BY THE~~
26 ~~BOARD.~~

27 ~~(T) THE RESOLUTION PROVIDING FOR THE ISSUANCE OF BONDS IS A TRUST~~
28 ~~AGREEMENT IF IT SO STIPULATES.~~

29 ~~(U) ALL EXPENSES INCURRED IN CARRYING OUT THE PROVISIONS OF ANY~~
30 ~~TRUST AGREEMENT OR ANY RESOLUTION MAY BE TREATED AS A PART OF THE COST~~
31 ~~OF THE OPERATION OF THE BOARD.~~

32 ~~(V) UPON THE ISSUANCE OF BONDS, THE STATE COMPTROLLER SHALL~~
33 ~~WITHHOLD FROM ANY INSTALLMENT DUE THE BOARD FROM THE GENERAL STATE~~
34 ~~SCHOOL FUND MONEYS FOR DEPOSIT TO THE CREDIT OF A SINKING FUND~~
35 ~~MAINTAINED TO PAY THE PRINCIPAL AND INTEREST ON THE BONDS. SUCH MONEYS~~
36 ~~SHALL BE WITHHELD UNTIL THE BONDS ARE NO LONGER OUTSTANDING AND~~
37 ~~UNPAID AND SHALL BE WITHHELD IN INSTALLMENTS. THE AMOUNT OF EACH~~
38 ~~INSTALLMENT SHALL BE DETERMINED AT THE TIME THE BONDS ARE ISSUED AND~~
39 ~~SHALL BE PROVIDED IN WRITING BY THE BOARD TO THE STATE COMPTROLLER,~~
40 ~~PROVIDED THAT THE FREQUENCY AND AMOUNT OF SUCH INSTALLMENTS SHALL~~

1 ~~ALLOW FOR THE TIMELY PAYMENT OF THE PRINCIPAL AND INTEREST ON THE~~
2 ~~BONDS.~~

3 ~~4-412.2.~~

4 ~~(A) THE EXERCISE OF THE POWERS GRANTED BY THE PROVISIONS OF THIS~~
5 ~~SUBTITLE SHALL BE FOR THE BENEFIT OF THE STUDENTS WHO ATTEND THE PUBLIC~~
6 ~~SCHOOLS UNDER THE BOARD AND FOR THE IMPROVEMENT OF THEIR EDUCATION,~~
7 ~~PROSPERITY, HEALTH, LIVING CONDITIONS, AND GENERAL WELFARE.~~

8 ~~(B) THE BOARD SHALL NOT BE REQUIRED TO PAY ANY TAXES OR~~
9 ~~ASSESSMENTS OF ANY KIND WHATSOEVER AND ITS BONDS, THEIR TRANSFER, THE~~
10 ~~INTEREST PAYABLE ON THEM, AND ANY INCOME DERIVED FROM THEM, INCLUDING~~
11 ~~ANY PROFIT REALIZED IN THEIR SALE OR EXCHANGE, SHALL BE EXEMPT AT ALL~~
12 ~~TIMES FROM EVERY KIND AND NATURE OF TAXATION BY THE STATE OR BY ANY OF~~
13 ~~ITS POLITICAL SUBDIVISIONS, MUNICIPAL CORPORATIONS, OR PUBLIC AGENCIES OF~~
14 ~~ANY KIND.~~

15 ~~4-412.3.~~

16 ~~THE BONDS ARE INVESTMENT SECURITIES.~~

17 ~~4-412.4.~~

18 ~~THE TITLE TO ANY PROPERTY ACQUIRED OR CONSTRUCTED UNDER THE~~
19 ~~PROVISIONS OF THIS SUBTITLE SHALL BE HELD IN ACCORDANCE WITH STATE LAW.~~

20 ~~4-412.5.~~

21 ~~(A) THE PROVISIONS OF THIS SUBTITLE, BEING NECESSARY FOR THE~~
22 ~~WELFARE OF PRINCE GEORGE'S COUNTY AND ITS INHABITANTS, SHALL BE~~
23 ~~LIBERALLY CONSTRUED TO EFFECT THE PURPOSES OF THE PROVISIONS.~~

24 ~~(B) THE PROVISIONS OF THIS SUBTITLE ARE SEVERABLE AND, IF ANY OF THE~~
25 ~~PROVISIONS SHALL BE HELD UNCONSTITUTIONAL BY ANY COURT OF COMPETENT~~
26 ~~JURISDICTION, THE DECISION OF THE COURT MAY NOT AFFECT OR IMPAIR ANY OF~~
27 ~~THE REMAINING PROVISIONS.~~

28 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland~~
29 ~~read as follows:~~

30 ~~**Article—Education**~~

31 ~~3-1009.~~

32 ~~(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS~~
33 ~~INDICATED.~~

1 ~~(B) "BONDS" MEANS REVENUE BONDS, REFUNDING BONDS, CERTIFICATES,~~
2 ~~NOTES, DEMAND NOTES, COMMERCIAL PAPER, OTHER EVIDENCE OF INDEBTEDNESS,~~
3 ~~AND, WHERE APPLICABLE, ANTICIPATION NOTES.~~

4 ~~(C) "COSTS" AS APPLIED TO ANY PROJECT MEANS ALL COSTS OF THE~~
5 ~~PROJECT, INCLUDING:~~

6 ~~(1) THE COST OF ACQUISITION, CONSTRUCTION, RECONSTRUCTION,~~
7 ~~EQUIPPING, MAINTENANCE, REPAIR, AND RENOVATION;~~

8 ~~(2) THE COST OF ACQUISITION OF ALL LAND, RIGHTS-OF-WAY,~~
9 ~~PROPERTY RIGHTS, EASEMENTS, AND INTERESTS ACQUIRED BY THE COUNTY~~
10 ~~BOARD;~~

11 ~~(3) FINANCE CHARGES AND INTEREST PRIOR TO AND DURING~~
12 ~~CONSTRUCTION AND FOR 1 YEAR AFTER COMPLETION OF CONSTRUCTION;~~

13 ~~(4) THE COST OF ARCHITECTURAL, ENGINEERING, AND LEGAL~~
14 ~~EXPENSES, PLANS, SPECIFICATIONS, FEASIBILITY STUDIES, SURVEYS, ESTIMATES OF~~
15 ~~COSTS AND REVENUE, AND OTHER EXPENSES NECESSARY OR DESIRABLE FOR~~
16 ~~DETERMINING THE FEASIBILITY OR PRACTICALITY OF CONSTRUCTION OF ANY~~
17 ~~PROJECT;~~

18 ~~(5) RESERVES FOR THE PAYMENT OF DEBT SERVICE, OPERATING~~
19 ~~RESERVES, AND REPAIR AND REPLACEMENT FUNDS; AND~~

20 ~~(6) ADMINISTRATIVE EXPENSES AND OTHER EXPENSES NECESSARY OR~~
21 ~~ALLOCABLE TO ANY PROJECT, THE FINANCING OR REFINANCING OF ANY PROJECT,~~
22 ~~THE ISSUANCE OF BONDS, AND THE PLACING OF ANY PROJECT IN OPERATION.~~

23 ~~(D) "PROJECT" MEANS THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION,~~
24 ~~EQUIPPING, MAINTENANCE, REPAIR, OR RENOVATION OF ANY PUBLIC SCHOOL~~
25 ~~FACILITY.~~

26 ~~(E) "PUBLIC SCHOOL FACILITY" MEANS A BUILDING, PARKING FACILITY,~~
27 ~~ATHLETIC FACILITY, TESTING FACILITY, OR OTHER FACILITY IN PRINCE GEORGE'S~~
28 ~~COUNTY, NOW EXISTING OR HEREAFTER ACQUIRED OR CONSTRUCTED, THAT IS~~
29 ~~USED BY THE COUNTY BOARD IN RELATION TO THE EDUCATION OF STUDENTS IN~~
30 ~~THE PRINCE GEORGE'S COUNTY PUBLIC SCHOOL SYSTEM.~~

31 ~~3-1009.1.~~

32 ~~(A) IN ORDER TO PROVIDE PUBLIC SCHOOL FACILITIES, THE COUNTY BOARD~~
33 ~~MAY:~~

34 ~~(1) ACQUIRE, CONSTRUCT, RECONSTRUCT, EQUIP, MAINTAIN, REPAIR,~~
35 ~~OR RENOVATE FACILITIES AT ANY LOCATION IN PRINCE GEORGE'S COUNTY, NOW~~
36 ~~EXISTING OR HEREAFTER ACQUIRED;~~

1 (2) ~~ISSUE BONDS IN ACCORDANCE WITH THE PROCEDURES,~~
2 ~~REQUIREMENTS, AND LIMITATIONS APPLICABLE TO THE ISSUANCE OF BONDS BY~~
3 ~~THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS OF THE BALTIMORE CITY~~
4 ~~PUBLIC SCHOOL SYSTEM UNDER § 4-306.2 OF THIS ARTICLE;~~

5 (3) ~~IN ACCORDANCE WITH STATE LAW, ACQUIRE, HOLD, AND DISPOSE~~
6 ~~OF REAL AND PERSONAL PROPERTY IN THE EXERCISE OF ITS POWERS AND THE~~
7 ~~PERFORMANCE OF ITS DUTIES UNDER THIS SUBTITLE;~~

8 (4) ~~ENTER INTO ALL CONTRACTS AND AGREEMENTS NECESSARY OR~~
9 ~~INCIDENTAL TO THE PERFORMANCE OF ITS DUTIES AND THE EXECUTION OF ITS~~
10 ~~POWERS UNDER THIS SUBTITLE, EMPLOY CONSULTING ENGINEERS, ARCHITECTS,~~
11 ~~ATTORNEYS, CONSTRUCTION AND FINANCIAL EXPERTS, AND OTHER EMPLOYEES~~
12 ~~AND AGENTS, AND DETERMINE THEIR COMPENSATION;~~

13 (5) ~~RECEIVE AND ACCEPT FROM THE UNITED STATES OF AMERICA OR~~
14 ~~ANY AGENCY OF THE FEDERAL GOVERNMENT GRANTS AND LOANS FOR THE~~
15 ~~PURPOSE OF FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF ANY~~
16 ~~PROJECT;~~

17 (6) ~~RECEIVE AND ACCEPT AID OR CONTRIBUTIONS FROM ANY SOURCES~~
18 ~~OF MONEY, PROPERTY, LABOR, OR OTHER THINGS OF VALUE TO BE HELD, USED, AND~~
19 ~~APPLIED FOR THE PURPOSES FOR WHICH THE GRANTS AND CONTRIBUTIONS WERE~~
20 ~~MADE; AND~~

21 (7) ~~PERFORM ALL ACTS AND OTHER THINGS NECESSARY TO CARRY OUT~~
22 ~~THE POWERS EXPRESSLY GRANTED BY THE PROVISIONS OF THIS SUBTITLE.~~

23 (B) ~~THE COUNTY BOARD SHALL MAINTAIN RECORDS IDENTIFYING THE~~
24 ~~SOURCES AND AMOUNTS OF PAYMENTS USED TO SUPPORT THE COSTS OF ANY~~
25 ~~PROJECT AUTHORIZED UNDER THE PROVISIONS OF THIS SUBTITLE.~~

26 ~~3-1009.2.~~

27 (A) ~~THE COUNTY BOARD MAY ISSUE BONDS FOR THE PURPOSE OF FINANCING~~
28 ~~OR REFINANCING ALL OR ANY PART OF THE COSTS OF ANY PROJECT.~~

29 (B) ~~THE AGGREGATE PRINCIPAL AMOUNT OF BONDS OUTSTANDING,~~
30 ~~INCLUDING THE AMOUNT OF ANY RESERVE FUND REQUIREMENT ESTABLISHED FOR~~
31 ~~THE BONDS, MAY NOT EXCEED, AS OF THE DATE THE BONDS ARE ISSUED, \$25,000,000.~~

32 (C) ~~BONDS SHALL BE AUTHORIZED BY A RESOLUTION OF THE COUNTY BOARD~~
33 ~~AND MAY BE SECURED BY A TRUST AGREEMENT BY AND BETWEEN THE COUNTY~~
34 ~~BOARD AND A CORPORATE TRUSTEE OR TRUSTEES WHICH MAY BE ANY TRUST~~
35 ~~COMPANY OR BANK HAVING THE POWERS OF A TRUST COMPANY WITHIN OR~~
36 ~~OUTSIDE OF THE STATE.~~

37 (D) ~~BEFORE THE BOARD MAY ISSUE A BOND UNDER THIS SECTION, THE~~
38 ~~COUNTY EXECUTIVE AND THE COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY~~

1 ~~SHALL PASS A RESOLUTION APPROVING THE COUNTY BOARD'S ISSUANCE OF THE~~
2 ~~BOND AND SHALL FORWARD THAT RESOLUTION TO THE COUNTY BOARD.~~

3 (E) ~~THE RESOLUTION OF THE COUNTY BOARD AUTHORIZING THE BONDS:~~

4 (1) ~~SHALL DESCRIBE THE PROJECTS THAT ARE TO BE FINANCED OR~~
5 ~~REFINANCED BY THE BOND;~~

6 (2) ~~SHALL STATE THE MAXIMUM PRINCIPAL AMOUNT OF THE BOND;~~

7 (3) ~~SHALL DESCRIBE THE SOURCES OF PAYMENT OF THE BONDS;~~

8 (4) ~~SHALL PROVIDE THAT THE PROCEEDS OF THE BONDS BE INVESTED~~
9 ~~IN ACCORDANCE WITH ANY INVESTMENT POLICY APPROVED BY THE COUNTY~~
10 ~~BOARD; AND~~

11 (5) ~~MAY PROVIDE THAT THE BONDS ARE REDEEMABLE BEFORE~~
12 ~~MATURITY AT A PRICE OR PRICES AND UNDER TERMS AND CONDITIONS OR IN~~
13 ~~ACCORDANCE WITH A METHOD DETERMINED BY THE COUNTY BOARD.~~

14 (F) ~~THE RESOLUTION OF THE COUNTY BOARD OR THE TRUST AGREEMENT~~
15 ~~RELATING TO THE BONDS MAY CONTAIN PROVISIONS THAT:~~

16 (1) ~~LIMIT THE PURPOSE TO WHICH THE PROCEEDS OF ANY ISSUE OF~~
17 ~~BONDS MAY BE APPLIED AND RESTRICT THE INVESTMENT OF REVENUES OR BOND~~
18 ~~PROCEEDS IN GOVERNMENT OBLIGATIONS FOR WHICH PRINCIPAL AND INTEREST~~
19 ~~ARE UNCONDITIONALLY GUARANTEED BY THE UNITED STATES OF AMERICA;~~

20 (2) ~~PROVIDE FOR THE ISSUANCE OF ADDITIONAL BONDS TO FINANCE~~
21 ~~OR REFINANCE ANY PROJECTS, WHICH MAY NOT EXCEED THE TOTAL VALUE OF THE~~
22 ~~OUTSTANDING BONDS ALLOWED UNDER SUBSECTION (B) OF THIS SECTION;~~

23 (3) ~~ASSIGN ALL OR ANY PART OF THE COUNTY BOARD'S FUNDS OR~~
24 ~~ASSETS;~~

25 (4) ~~PROTECT AND ENFORCE THE RIGHTS AND REMEDIES OF THE~~
26 ~~BONDHOLDERS THAT ARE REASONABLE AND PROPER AND NOT IN VIOLATION OF~~
27 ~~THE LAW, INCLUDING COVENANTS REGARDING:~~

28 (I) ~~THE DUTIES OF THE COUNTY BOARD IN RELATION TO THE~~
29 ~~PROJECT;~~

30 (II) ~~THE DUTIES OF THE COUNTY BOARD IN RELATION TO ITS~~
31 ~~FUNDS;~~

32 (III) ~~THE CUSTODY, SAFEGUARDING, AND APPLICATION OF ALL~~
33 ~~MONEYS; AND~~

34 (IV) ~~THE RIGHTS AND REMEDIES OF BONDHOLDERS AND~~
35 ~~TRUSTEES, INCLUDING RESTRICTIONS ON THE INDIVIDUAL RIGHT OF ACTION BY~~
36 ~~BONDHOLDERS; AND~~

1 (5) ~~THE COUNTY BOARD DEEMS REASONABLE AND PROPER FOR THE~~
2 ~~SECURITY OF THE BONDHOLDERS, INCLUDING COVENANTS PERTAINING TO THE~~
3 ~~ISSUANCE OF ADDITIONAL PARITY BONDS UPON STATED CONDITIONS.~~

4 (G) ~~THE BONDS SHALL:~~

5 (1) ~~BE DATED AND BEAR INTEREST AT THE FIXED OR VARIABLE RATE~~
6 ~~OR RATES DETERMINED BY THE METHOD PROVIDED IN THE RESOLUTION OF THE~~
7 ~~COUNTY BOARD AUTHORIZING THE ISSUANCE OF THE BONDS;~~

8 (2) ~~MATURE AT A TIME OR TIMES NOT EXCEEDING THE USEFUL LIFE OF~~
9 ~~THE PROJECTS FOR WHICH THE BONDS ARE ISSUED, BUT IN NO EVENT SHALL THE~~
10 ~~MATURITY OF THE BONDS EXCEED 15 YEARS FROM THEIR DATE OR DATES OF ISSUE,~~
11 ~~AS MAY BE DETERMINED BY THE BOARD;~~

12 (3) ~~BE ISSUED AT, ABOVE, OR BELOW PAR VALUE FOR CASH OR OTHER~~
13 ~~VALUABLE CONSIDERATION;~~

14 (4) ~~BE PAYABLE AT A TIME OR TIMES, IN THE DENOMINATIONS AND~~
15 ~~FORM, EITHER COUPON OR REGISTERED OR BOTH, AND CARRY THE REGISTRATION~~
16 ~~AND PRIVILEGES AS TO CONVERSION AND FOR THE REPLACEMENT OF MUTILATED,~~
17 ~~LOST, OR DESTROYED BONDS AS THE RESOLUTION OF THE COUNTY BOARD MAY~~
18 ~~PROVIDE;~~

19 (5) ~~BEAR THE MANUAL OR FACSIMILE SIGNATURE OF THE COUNTY~~
20 ~~SUPERINTENDENT OR ONE OF THE OTHER MEMBERS OF THE COUNTY BOARD, IN~~
21 ~~CASE ANY OFFICER WHOSE MANUAL OR FACSIMILE SIGNATURE APPEARS ON ANY~~
22 ~~BONDS OR COUPONS CEASES TO BE AN OFFICER BEFORE THE DELIVERY OF THE~~
23 ~~BONDS, THE SIGNATURE OR FACSIMILE OF THE FORMER OFFICER IS VALID AND~~
24 ~~SUFFICIENT FOR ALL PURPOSES AS IF THE OFFICER HAD REMAINED IN OFFICE~~
25 ~~UNTIL DELIVERY;~~

26 (6) ~~BEAR THE OFFICIAL SEAL OF THE COUNTY BOARD OR A FACSIMILE~~
27 ~~OF THE SEAL AFFIXED TO THE BONDS AND ATTESTED BY THE MANUAL OR~~
28 ~~FACSIMILE SIGNATURE OF THE SECRETARY OF THE COUNTY BOARD;~~

29 (7) ~~BE PAYABLE IN LAWFUL MONEY OF THE UNITED STATES OF~~
30 ~~AMERICA AT A DESIGNATED PLACE;~~

31 (8) ~~BE SUBJECT TO THE TERMS OF PURCHASE, PAYMENT, REDEMPTION,~~
32 ~~REFUNDING, OR REFINANCING THAT THE RESOLUTION OF THE COUNTY BOARD~~
33 ~~PROVIDES; AND~~

34 (9) ~~BE SOLD IN THE MANNER AND UPON THE TERMS DETERMINED BY~~
35 ~~THE COUNTY BOARD, INCLUDING PRIVATE OR NEGOTIATED SALE.~~

36 (H) ~~ALL BONDS ISSUED UNDER THE PROVISIONS OF THIS SUBTITLE SHALL~~
37 ~~HAVE ALL THE QUALITIES AND INCIDENTS OF NEGOTIABLE INSTRUMENTS UNDER~~
38 ~~THE LAWS OF THE STATE RELATING TO NEGOTIABLE INSTRUMENTS.~~

1 ~~(I) PRIOR TO THE PREPARATION OF DEFINITIVE BONDS, THE COUNTY BOARD,~~
2 ~~UNDER LIKE RESTRICTIONS, MAY ISSUE INTERIM RECEIPTS OR TEMPORARY BONDS,~~
3 ~~WITH OR WITHOUT COUPONS, EXCHANGEABLE FOR DEFINITIVE BONDS WHEN THE~~
4 ~~BONDS ARE EXECUTED AND AVAILABLE FOR DELIVERY.~~

5 ~~(J) (I) BONDS MAY BE ISSUED UNDER THE PROVISIONS OF THIS SUBTITLE:~~

6 ~~(I) WITHOUT OBTAINING THE CONSENT OF ANY DEPARTMENT,~~
7 ~~DIVISION, COMMISSION, BOARD, BUREAU, OR AGENCY OF THE STATE; OR~~

8 ~~(II) WITHOUT ANY OTHER PROCEEDINGS OR THE OCCURRENCE OF~~
9 ~~ANY OTHER CONDITIONS OTHER THAN THOSE PROCEEDINGS OR CONDITIONS THAT~~
10 ~~ARE REQUIRED SPECIFICALLY BY PROVISIONS OF THIS SUBTITLE.~~

11 ~~(2) THE PROVISIONS OF TITLE 8, SUBTITLE 2 OF THE STATE FINANCE~~
12 ~~AND PROCUREMENT ARTICLE DO NOT APPLY TO BONDS ISSUED UNDER THE~~
13 ~~PROVISIONS OF THIS SUBTITLE.~~

14 ~~(K) THE COUNTY BOARD SHALL ESTABLISH ONE OR MORE TRUST FUNDS FOR~~
15 ~~THE DEPOSIT OF THE PROCEEDS OF THE BONDS OF ANY ISSUE.~~

16 ~~(L) THE COUNTY BOARD MAY:~~

17 ~~(1) MAINTAIN SEPARATE ACCOUNTS FOR PURPOSES OF IDENTIFYING~~
18 ~~THE SOURCES OF PAYMENT OF THE BONDS FOR THE ACQUISITION, DEVELOPMENT,~~
19 ~~OR IMPROVEMENT OF PUBLIC SCHOOL FACILITIES; AND~~

20 ~~(2) RETAIN THE INTEREST REVENUE OR OTHER INVESTMENT INCOME~~
21 ~~FROM THE BONDS OF ANY ISSUE FOR THE PURPOSES OF APPLYING THE REVENUE OR~~
22 ~~INCOME TO THE COSTS OF ACQUIRING, CONSTRUCTING, RECONSTRUCTING,~~
23 ~~RENOVATING, EQUIPPING, MAINTAINING, OR REPAIRING SCHOOL FACILITIES.~~

24 ~~(M) (I) ANY BOND ISSUED UNDER THIS SUBTITLE SHALL STATE ON ITS FACE~~
25 ~~THAT THE BOND DOES NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS OR~~
26 ~~OBLIGATION OF THE STATE, OF THE COUNTY EXECUTIVE AND COUNTY COUNCIL OF~~
27 ~~PRINCE GEORGE'S COUNTY, OR OF ANY OTHER POLITICAL SUBDIVISION OF THE~~
28 ~~STATE, EXCEPT THE PRINCE GEORGE'S COUNTY BOARD OF EDUCATION.~~

29 ~~(2) THE BONDS DO NOT CONSTITUTE A DEBT OR OBLIGATION~~
30 ~~CONTRACTED BY THE GENERAL ASSEMBLY OR PLEDGE THE FAITH AND CREDIT OF~~
31 ~~THE STATE WITHIN THE MEANING OF ARTICLE III, § 34 OF THE MARYLAND~~
32 ~~CONSTITUTION.~~

33 ~~(N) THE BONDS OF ANY ISSUE SHALL BE PAYABLE FROM AND SECURED~~
34 ~~SOLELY BY:~~

35 ~~(1) ALL OR ANY PART OF THE FEES OR REVENUES GENERATED BY AN~~
36 ~~ACTIVITY OF THE COUNTY BOARD TO THE EXTENT LAWFULLY AVAILABLE FOR SUCH~~
37 ~~PURPOSE;~~

1 (2) ~~THE PROCEEDS OF THE BONDS AND INVESTMENT EARNINGS~~
2 ~~THEREON;~~

3 (3) ~~ANY GRANT OR GIFT RECEIVED BY THE COUNTY BOARD TO THE~~
4 ~~EXTENT LAWFULLY AVAILABLE FOR SUCH PURPOSE;~~

5 (4) ~~RESERVES OR OTHER FUNDS ESTABLISHED FOR THE BONDS UNDER~~
6 ~~THE RESOLUTION OR TRUST AGREEMENT;~~

7 (5) ~~ANY MONEYS THAT MAY LAWFULLY BE APPLIED TO THE PAYMENT~~
8 ~~OF THE BONDS, INCLUDING WITHOUT LIMITATION ANY APPROPRIATION BY THE~~
9 ~~STATE OR PRINCE GEORGE'S COUNTY MADE LAWFULLY AVAILABLE FOR SUCH~~
10 ~~PURPOSE; OR~~

11 (6) ~~ANY SOURCE OF FUNDS TO WHICH THE COUNTY BOARD HAS ACCESS~~
12 ~~TO THE EXTENT LAWFULLY AVAILABLE FOR SUCH PURPOSE.~~

13 (O) ~~PRIOR TO AND DURING CONSTRUCTION AND FOR 1 YEAR AFTER~~
14 ~~COMPLETION OF CONSTRUCTION OF ANY PUBLIC SCHOOL FACILITY FOR WHICH~~
15 ~~BONDS HAVE BEEN ISSUED, THE INTEREST ON THE BONDS MAY BE PAID OUT OF THE~~
16 ~~PROCEEDS OF THE BONDS OR OUT OF OTHER MONEYS ALLOCATED FOR THAT~~
17 ~~PURPOSE.~~

18 (P) (1) ~~THE COUNTY BOARD MAY PROVIDE, FROM TIME TO TIME, FOR THE~~
19 ~~ISSUANCE AND SALE OF BOND ANTICIPATION NOTES IN ACCORDANCE WITH THE~~
20 ~~PROCEDURES SET FORTH IN ARTICLE 31, § 12 OF THE CODE FOR THE ISSUANCE OF~~
21 ~~BONDS.~~

22 (2) ~~EXCEPT WHERE THE PROVISIONS OF THIS SUBTITLE WOULD BE~~
23 ~~INAPPLICABLE TO BOND ANTICIPATION NOTES, THE TERM "BONDS" AS USED IN THIS~~
24 ~~SUBTITLE SHALL INCLUDE BOND ANTICIPATION NOTES, INCLUDING THE~~
25 ~~PROVISIONS PERTAINING TO THE EXEMPTION FROM TAXATION BY THE STATE AND~~
26 ~~ITS POLITICAL SUBDIVISIONS.~~

27 (Q) ~~IN CONNECTION WITH THE ISSUANCE OF ANY BONDS, THE COUNTY~~
28 ~~BOARD MAY:~~

29 (1) ~~OBTAIN OR ENTER INTO AGREEMENTS AND CONTRACTS FOR BOND~~
30 ~~INSURANCE, RESERVE FUND INSURANCE, A LETTER OF CREDIT, A LINE OF CREDIT,~~
31 ~~OR ANY FORM OF ADDITIONAL, SUBSTITUTE, OR REPLACEMENT SECURITY FOR ANY~~
32 ~~BONDS; AND~~

33 (2) ~~PLEDGE OR ASSIGN ALL OR ANY PART OF THE FUNDS OF THE~~
34 ~~COUNTY BOARD TO THE REPAYMENT OR REIMBURSEMENT OF THE PROVIDER OF~~
35 ~~THE BOND INSURANCE, RESERVE FUND INSURANCE, LETTER OF CREDIT, LINE OF~~
36 ~~CREDIT, OR OTHER FORM OF ADDITIONAL, SUBSTITUTE, OR REPLACEMENT~~
37 ~~SECURITY.~~

1 ~~(R) ANY OF THE AGREEMENTS AND CONTRACTS MAY CONTAIN THE~~
2 ~~COVENANTS, TERMS, AND CONDITIONS AS MAY BE CONTAINED IN ANY TRUST~~
3 ~~AGREEMENT FOR ANY BONDS.~~

4 ~~(S) ANY BANK OR TRUST COMPANY INCORPORATED UNDER THE LAWS OF THE~~
5 ~~STATE THAT ACTS AS A DEPOSITORY OF THE PROCEEDS OF THE BONDS MAY~~
6 ~~FURNISH INDEMNIFYING BONDS OR PLEDGE SECURITIES AS REQUIRED BY THE~~
7 ~~COUNTY BOARD.~~

8 ~~(T) THE RESOLUTION PROVIDING FOR THE ISSUANCE OF BONDS IS A TRUST~~
9 ~~AGREEMENT IF IT SO STIPULATES.~~

10 ~~(U) ALL EXPENSES INCURRED IN CARRYING OUT THE PROVISIONS OF ANY~~
11 ~~TRUST AGREEMENT OR ANY RESOLUTION MAY BE TREATED AS A PART OF THE COST~~
12 ~~OF THE OPERATION OF THE COUNTY BOARD.~~

13 ~~(V) UPON THE ISSUANCE OF BONDS, THE STATE COMPTROLLER SHALL~~
14 ~~WITHHOLD FROM ANY INSTALLMENT DUE THE COUNTY BOARD FROM THE GENERAL~~
15 ~~STATE SCHOOL FUND MONEYS FOR DEPOSIT TO THE CREDIT OF A SINKING FUND~~
16 ~~MAINTAINED TO PAY THE PRINCIPAL AND INTEREST ON THE BONDS. SUCH MONEYS~~
17 ~~SHALL BE WITHHELD UNTIL THE BONDS ARE NO LONGER OUTSTANDING AND~~
18 ~~UNPAID AND SHALL BE WITHHELD IN INSTALLMENTS. THE AMOUNT OF EACH~~
19 ~~INSTALLMENT SHALL BE DETERMINED AT THE TIME THE BONDS ARE ISSUED AND~~
20 ~~SHALL BE PROVIDED IN WRITING BY THE COUNTY BOARD TO THE STATE~~
21 ~~COMPTROLLER, PROVIDED THAT THE FREQUENCY AND AMOUNT OF SUCH~~
22 ~~INSTALLMENTS SHALL ALLOW FOR THE TIMELY PAYMENT OF THE PRINCIPAL AND~~
23 ~~INTEREST ON THE BONDS.~~

24 ~~3-1009.3.~~

25 ~~(A) THE EXERCISE OF THE POWERS GRANTED BY THE PROVISIONS OF THIS~~
26 ~~SUBTITLE SHALL BE FOR THE BENEFIT OF THE STUDENTS WHO ATTEND THE PUBLIC~~
27 ~~SCHOOLS UNDER THE COUNTY BOARD AND FOR THE IMPROVEMENT OF THEIR~~
28 ~~EDUCATION, PROSPERITY, HEALTH, LIVING CONDITIONS, AND GENERAL WELFARE.~~

29 ~~(B) THE COUNTY BOARD SHALL NOT BE REQUIRED TO PAY ANY TAXES OR~~
30 ~~ASSESSMENTS OF ANY KIND WHATSOEVER AND ITS BONDS, THEIR TRANSFER, THE~~
31 ~~INTEREST PAYABLE ON THEM, AND ANY INCOME DERIVED FROM THEM, INCLUDING~~
32 ~~ANY PROFIT REALIZED IN THEIR SALE OR EXCHANGE, SHALL BE EXEMPT AT ALL~~
33 ~~TIMES FROM EVERY KIND AND NATURE OF TAXATION BY THE STATE OR BY ANY OF~~
34 ~~ITS POLITICAL SUBDIVISIONS, MUNICIPAL CORPORATIONS, OR PUBLIC AGENCIES OF~~
35 ~~ANY KIND.~~

36 ~~3-1009.4.~~

37 ~~THE BONDS ARE INVESTMENT SECURITIES.~~

1 ~~3-1009.5.~~

2 ~~THE TITLE TO ANY PROPERTY ACQUIRED OR CONSTRUCTED UNDER THE~~
3 ~~PROVISIONS OF THIS SUBTITLE SHALL BE HELD IN ACCORDANCE WITH STATE LAW.~~

4 ~~3-1009.6.~~

5 ~~(A) THE PROVISIONS OF THIS SUBTITLE, BEING NECESSARY FOR THE~~
6 ~~WELFARE OF PRINCE GEORGE'S COUNTY AND ITS INHABITANTS, SHALL BE~~
7 ~~LIBERALLY CONSTRUED TO EFFECT THE PURPOSES OF THE PROVISIONS.~~

8 ~~(B) THE PROVISIONS OF THIS SUBTITLE ARE SEVERABLE AND, IF ANY OF THE~~
9 ~~PROVISIONS SHALL BE HELD UNCONSTITUTIONAL BY ANY COURT OF COMPETENT~~
10 ~~JURISDICTION, THE DECISION OF THE COURT MAY NOT AFFECT OR IMPAIR ANY OF~~
11 ~~THE REMAINING PROVISIONS.~~

12 ~~SECTION 3. AND BE IT FURTHER ENACTED, That, subject to the~~
13 ~~provisions of Section 4 of this Act, Section 2 of this Act shall take effect July 1, 2006,~~
14 ~~the effective date of Section 7 of Chapter 289 of the Acts of the General Assembly of~~
15 ~~2002. If the effective date of Section 7 of Chapter 289 is amended, Section 2 of this Act~~
16 ~~shall take effect on the taking effect of Sections 20 and 21 of Chapter 289.~~

17 ~~SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take~~
18 ~~effect July 1, 2004. Section 1 of this Act shall remain effective until the taking effect~~
19 ~~of Section 2 of this Act. If Section 2 of this Act takes effect, Section 1 of this Act shall~~
20 ~~be abrogated and of no further force and effect.~~

21 **Article 24 - Political Subdivisions - Miscellaneous Provisions**

22 ~~9-606.~~

23 ~~(e) (1) The net proceeds of the revenue from the tax imposed under this~~
24 ~~section shall be used [only for operating expenditures of the Prince George's County~~
25 ~~school system] AS FOLLOWS:~~

26 ~~(I) AT LEAST 90% FOR OPERATING EXPENDITURES OF THE PRINCE~~
27 ~~GEORGE'S COUNTY SCHOOL SYSTEM; AND~~

28 ~~(II) THE REMAINDER FOR:~~

29 ~~1. CASH PAYMENTS FOR CAPITAL EXPENDITURES FOR~~
30 ~~SCHOOL RENOVATION PROJECTS APPROVED BY THE PRINCE GEORGE'S COUNTY~~
31 ~~BOARD OF EDUCATION AND THE COUNTY; OR~~

32 ~~2. PAYMENT OF DEBT SERVICE ON BONDS ISSUED BY THE~~
33 ~~GOVERNING BODY OF PRINCE GEORGE'S COUNTY FOR SCHOOL RENOVATION~~
34 ~~PROJECTS APPROVED BY THE PRINCE GEORGE'S COUNTY BOARD OF EDUCATION AND~~
35 ~~THE COUNTY.~~

1 (2) The proceeds provided under this section for [operating expenditures
2 of] the Prince George's County public school system may not be used to supplant any
3 State aid for education provided to the county, or any county funds provided to the
4 Prince George's County school system.

5 (3) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE GOVERNING BODY
6 OF PRINCE GEORGE'S COUNTY SHALL SUBMIT A REPORT DETAILING THE
7 EXPENDITURE OF REVENUES GENERATED FROM THE TAX IMPOSED UNDER THIS
8 SECTION TO THE STATE DEPARTMENT OF LEGISLATIVE SERVICES, THE PRINCE
9 GEORGE'S COUNTY SCHOOL SYSTEM, AND THE PRINCE GEORGE'S COUNTY
10 DELEGATION OF THE GENERAL ASSEMBLY.

11 ~~[(3)]~~ (4) Among the expenditures to be funded from the proceeds, the
12 Board shall consider:

13 (i) A program to serve disruptive, delinquent, or low-performing
14 students in grades 6 through 12 that:

15 1. Provides proof of progress in reading and mathematics;

16 2. Is designed to include small learning communities and
17 areas of support services provided by community-based providers; and

18 3. Is operated:

19 A. By an educational provider with substantial experience
20 servicing the type of student population served by the program; and

21 B. In separate school facilities provided by the education
22 provider, unless the public school system decides otherwise; [and]

23 (ii) A Spanish language immersion program to serve at least 450
24 students in kindergarten through grade 5 in order to address long-term labor needs
25 for bilingual employees; AND

26 (III) ADDRESSING ANY NEEDS RELATED TO CAPITAL
27 IMPROVEMENTS OR RENOVATIONS THAT ARE THE RESULT OF THE DEFERRAL OF
28 MAINTENANCE OR OTHER DETERIORATION OF SCHOOL FACILITIES IN USE BEFORE,
29 ON, OR AFTER JUNE 1, 2004.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 June 1, 2004.

